



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

Rachel K. Paulose, United States Attorney

Jeanne F. Cooney, Director of External Relations
Media Line: 1-888-264-5107

News Release

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Former Zomax Executive Sentenced to Federal Prison

Minneapolis - James T. Anderson, the former chairman and chief executive officer of Zomax, a Plymouth-based technology manufacturing company, was sentenced today for insider trading. United States District Court Judge Paul A. Magnuson ordered Anderson to serve thirty months in federal prison for his crime. He also ordered him to pay to Zomax and the company's insurance carrier, St. Paul Travelers, \$1.42 million in restitution. Moreover, he ordered Anderson to forfeit to the federal government \$1.99 million in cash.

In June of 2006, a jury found Anderson guilty on six counts of insider trading and five counts of engaging in illegal monetary transactions. Evidence during trial showed that Anderson had been privy to internal, non-public earnings forecasts as well as other confidential information regarding Zomax. That information included projections that the company would miss the investment community's earnings expectations for the third quarter of 2000 by twenty percent. Based on that information, Anderson sold over 356,000 shares of Zomax stock during August of 2000.

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On September 21, 2000, Zomax announced that its sales and earnings for the third quarter of 2000 would be lower than expected. Company stock immediately lost more than half its value; and over the next two trading days, stock values dropped by two-thirds. Trial evidence illustrated that by selling his stock in August, the month before the company made the public announcement about its disappointing third quarter, Anderson avoided losing millions of dollars. Evidence at trial also showed that Anderson used the proceeds from the sale of his Zomax stock to make a number of large purchases from the Schwab One account he had used for his insider trading.

This case was the result of an investigation by the Federal Bureau of Investigation and the United States Securities and Exchange Commission ("SEC"). The case was prosecuted by Assistant United States Attorney Timothy C. Rank, former Assistant United States Attorney John F. Docherty, and Special Assistant United States Attorney Dee O'Hair of the SEC's Division of Enforcement.

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